

CODE OF FEDERAL REGULATIONS
TITLE 47 - TELECOMMUNICATIONS
CHAPTER I
FEDERAL COMMUNICATIONS COMMISSION
PART 65 - INTERSTATE RATE OF RETURN PRESCRIPTION
PROCEDURES AND METHODOLOGIES
USTA PROPOSED REVISIONS

NOTE: These rules changes do not include any changes currently under consideration in CC Docket No. 92-133.

Part 65

Interstate Rate of Return Prescription Procedures and Methodologies

USTA proposes to modify the following sections of Part 65 of the Commission's rules:

Subpart A - General

§ 65.1 Application of Part 65.

This part establishes procedures and methodologies for Commission prescription of interstate rates of return. This part shall apply to those interstate services and carriers as the Commission shall designate by order. This part shall not apply to dominant interexchange carriers subject to price cap regulation ~~§§ 61.41 through 61.49~~, except as set forth in §§ 65.600(c), 65.701(e) and 65.703(fg) of this chapter. Local exchange carriers subject to price cap regulations ~~§§ 61.41 through 61.49~~ are exempt from the requirements of this part with the following exceptions:

- (1) carriers that meet the requirements of § 65.200(b) shall be subject to the filing requirements of Subpart C of this part;
- (2) price cap carriers subject to ~~§§ 61.41 through 61.49~~ shall employ the prescribed rate of return value calculated for interstate access services in complying with any applicable rules under Parts 36 and Z.10469 that require a return component;
- (3) ~~carriers subject to §§ 61.41 through 61.49 shall be subject to §§ 65.600(d), 65.701(d), and 65.703(h); and~~
- (4) ~~carriers subject to §§ 61.41 through 61.49 shall continue to comply with the prescribed rate of return when offering any services specified in § 61.42(f) unless the Commission otherwise directs.~~

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Subpart B - Procedures

§ 65.100 Participation and notice of appearance.

(a) Unchanged

- (1) All local exchange carriers required to file a rate of return submission pursuant to §65.200 and other interested persons, including but not limited to other local exchange carriers and customers for interstate exchange access service, who intend to participate shall file a notice of appearance stating the basis of their interest and their intent to participate. In proceedings to determine the authorized rate of return for an individual interstate common carrier, the carrier, and other interested persons, including but not limited to customers and members of the public who intend to participate shall file a notice of appearance stating the basis of their interest and their intent to participate.**

(2) Unchanged

(b),(c) Unchanged.

- (d) 6 copies of a notice of appearance shall be filed with the Secretary at least 14 calendar days before the date upon which the initial local exchange carrier or individual interstate carrier rate of return submission must be filed.**

§ 65.101 Petitions for exclusion from group treatment and individual treatment in determining authorized return for interstate exchange access service.

- (a) Exclusion from the local exchange carrier group and individual treatment will be granted for a period of two years if the cost of capital for interstate exchange service, as determined by application of §§ 65.200 - 65.400, is so low as to be confiscatory because it is outside the zone of reasonableness for the individual carrier's required rate of return for exchange services. To make such a showing, the petitioner shall perform a comparable firms analysis, utilizing the methodologies specified in §65.400, based upon the interstate operations of the firm for which exceptional treatment is sought. In this regard, the following independently**

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audited quarterly data for two calendar years preceding the petition shall be certified to this Commission and utilized for coefficient of variation analyses of the local exchange carrier for whom exceptional treatment is sought:

- (1) Financial statements for the local exchange carrier;
 - (2) Unchanged.
 - (3) Financial statements of jurisdictionally separated revenues, expenses, net assets, and rate base for each access service category~~rate~~~~element~~ as defined in Part Y69 of the Commission's rules, 47 CFR Y69.1 et seq.
- (b) Unchanged.
- (c) Filing or grant of a petition for exclusion from the exchange access group and individual treatment shall not excuse any local exchange carrier from filing the local exchange carrier submission regarding interstate exchange access rate of return required by § 65.200. The petition for exclusion and an individually prescribed rate of return shall be considered concurrently with the unitary interstate exchange access authorized rate of return.

§ 65.105 Proposed findings of fact and conclusions.

- (a) Proposed findings and conclusions shall not exceed 70 double spaced typewritten pages in length. Reply findings and conclusions shall not exceed 35 pages. Tables of contents and tables of citations are not counted in the page limits. All other contents of and attachments to findings and conclusions are counted. If any local exchange carrier has filed a petition for exclusion from the interstate exchange access group and for individual treatment, participants may file additional proposed findings. Such additional findings and conclusions are limited to the requests for exclusion and individual treatment and shall not exceed 50 pages in length. Reply findings and conclusions shall not exceed 25 pages.
- (b),(c) Unchanged.

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Subpart C - Local Exchange Carriers

§ 65.200 State authorized returns for local exchange carriers.

- (a) All local exchange carrier holding companies that directly or indirectly receive interstate revenues from assets that are used, or have been used, in whole or in part, for the provision of interstate exchange access functions, or that have been otherwise assigned, in whole or in part, through jurisdictional separations to the interstate jurisdiction, that further meet the criteria specified in this section, shall file with the Secretary of the Federal Communications Commission the information that is specified in §§ 65.201 and 65.400.
- (b) Notwithstanding any other provision of § 65.200, paragraph (a) shall only apply (except as hereafter provided) to those local exchange carriers and local exchange carrier holding companies that:

(1)-(5) Unchanged.

§ 65.201 Required filings.

- (a) *State cost of capital determinations.* Those local exchange carrier holding companies that meet the criteria specified in § 65.200, for those states in which an local exchange carrier of the holding company is the principal (or largest, in terms of net assets) local exchange carrier in the state, shall provide to this Commission:

- (1) Each state determined cost of capital that is applicable to that firm's intrastate local exchange carrier operations as of the date of filing;

- (2) Unchanged.

- (3) Unchanged.

- (b) Unchanged.

(1)-(7) Unchanged.

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§ 65.400 Determination of sets of firms that have risk characteristics that are comparable to interstate exchange access services.

(a) Unchanged.

(1)-(4) Unchanged.

(b) Unchanged.

(c) Unchanged.

(1)-(4) Unchanged.

(d) Unchanged.

(e) Unchanged.

(1)-(2) Unchanged.

(3) ~~The computation of the NECA coefficients of variation for the February 10, 1986 filing shall be computed on the basis of monthly NECA data. For subsequent rescription filings,~~ (The monthly NECA data shall be aggregated into quarterly NECA expense revenue data to compute coefficients of variation that are based upon that quarterly data. Coefficients of variation for comparable firms shall be calculated on the basis of quarterly data. Linear trend lines are to be computed on the basis of ordinary least squares. The detrended coefficient of variation that is to be calculated, in each instance, is the standard deviation from the ordinary least squares linear trend line of each data series divided by the average value of the data series.

(f) Unchanged.

Subpart D - Interexchange Carriers

§ 65.500 Determination of comparable firms for carriers other than local exchange carriers.

(a) Section 65.500 shall apply to those interstate communications, common carriers, other than local exchange carriers that are so designated by Commission order.

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- (b) Unchanged.
- (c) Unchanged.
- (1)-(3) Unchanged.
- (d) Unchanged.

Subpart E - Rate of Return Reports

§ 65.600 Rate of return reports.

- (a) Subpart E shall apply to those interstate communications common carriers and local exchange carriers that are so designated by Commission order.
- (b) Each local exchange carrier or group of affiliated carriers which is not subject to price cap regulation ~~§§ 61.41 through 61.49 of this chapter~~ and which has filed individual access tariffs during the preceding enforcement period shall file with the Commission, within three (3) months after the end of each calendar quarter, a quarterly rate of return monitoring report. Each report shall contain two parts. The first part shall contain rate of return information on a cumulative basis from the start of the enforcement period through the end of the quarter being reported. The second part shall contain similar information for the most recent quarter. The final quarterly monitoring report for the entire enforcement period shall be considered the enforcement period report. Reports shall be filed on the appropriate report form prescribed by the Commission (See § 1.795 of this chapter) and shall provide full and specific answers to all questions propounded and information requested in the currently effective report form. The number of copies to be filed shall be specified in the applicable report form. At least one copy of the report shall be signed on the signature page by the responsible officer. A copy of each report shall be retained in the principal office of the respondent and shall be filed in such manner as to be readily available for reference and inspection. Final adjustments to the enforcement period shall be made by September 30 of the year following the enforcement period to ensure that any refunds can be properly reflected in an annual access filing. ~~For local exchange carriers subject to §§ 61.41 through 61.49 of this chapter, final adjustments to the final~~

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~~enforcement period covering the period ending December 31, 1990, shall be made no later than September 30, 1991.~~

- (c) Each interexchange carrier subject to price cap regulation §§ 61.41 through 61.49 shall file with the Commission within three (3) months after the end of each calendar year, the total interstate rate of return for that year for all interstate services subject to regulation by the Commission. Each such filing shall include a report of the total revenues, total expenses and taxes, operating income, and the rate base. A copy of the filing shall be retained in the principal office of the respondent and shall be filed in such manner as to be readily available for reference and inspection.

~~(d)(1) Each local exchange carrier or group of affiliated carriers subject to §§ 61.41 through 61.49 of this chapter shall file with the Commission within three (3) months after the end of each calendar year a report of its total interstate rate of return for that year. Such filings shall include a report of the total revenues, total expenses and taxes, operating income, and the rate base. Reports shall be filed on the appropriate form prescribed by the Commission (see § 1.795 of this chapter) and shall provide full and specific answers to all questions propounded and information requested in the currently effective form. The number of copies to be filed shall be retained in the principal office of the respondent and shall be filed in such a manner as to be readily available for reference and inspection.~~

~~(d)(2) Each local exchange carrier or group of affiliated carriers subject to §§ 61.41 through 61.49 of this chapter shall file with the Commission within fifteen (15) months after the end of each calendar year a report reflecting any corrections or modifications to the report filed pursuant to paragraph (d)(1) above. Reports shall be filed on the appropriate form prescribed by the Commission (see § 1.795 of this chapter) and shall provide full and specific answers to all questions propounded and information requested in the currently effective form. At least one copy of the report shall be retained in the principal office of the respondent and shall be filed in such a manner as to be readily available for reference and inspection.~~

Subpart F - Maximum Allowable Rates of Return

§ 65.700 Determining the maximum allowable rate of return.

- (a) ~~The maximum allowable rate of return for any exchange carrier's earnings on any access service category shall be determined by adding a fixed increment of four tenths of one percent of the exchange carrier prescribed rate of return.~~
- (ab) The maximum allowable rate of return for any local exchange carrier's overall interstate earnings for all access service categories shall be determined by adding a fixed increment of one-quarter of one percent to the local exchange carrier prescribed rate of return.
- (bc) The maximum allowable rate of return for any dominant interexchange carrier that is subject to Interim Cost Allocation Manual shall be determined by adding a fixed increment of one-half of one percent to that interexchange carrier's prescribed rate of return. The maximum allowable rate of return shall apply to each Interim Cost Allocation Manual category.
- (cd) The maximum allowable rate of return for rates filed by local exchange carrier subject to § 61.4161.50 shall be determined by adding a fixed increment of one and one-half percent to the carriers presubscribed rate of return.

§ 65.701 Period of review.

- (a) Unchanged.
- (b) ~~Notwithstanding other provisions in this subpart, the initial exchange carrier period of review under this part shall commence on October 1, 1985 and shall end on December 31, 1986. For purposes of the exchange carrier initial review period, the maximum allowable rate of return on overall interstate earnings shall be 13.1 percent, and the maximum allowable rate of return for any access service category shall be 13.25 percent.~~
- (c) ~~Notwithstanding other provisions in this subpart, the final period of review for any dominant interexchange carrier subject to price cap~~

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~~regulation (as defined in § 61.3(v)) shall end on June 30, 1989.~~

- (d) ~~Notwithstanding other provisions in this subpart, the final period of review for any local exchange carrier subject to §§ 61.41 through 61.49 of this chapter shall end on December 31, 1990.~~

§ 65.702 Measurement of interstate service earnings.

- (a) Unchanged.
- (b) For local exchange carriers, overall interstate earnings shall be measured ~~separately for each access service category~~ for purposes of determining compliance with the maximum allowable rate of return determined by 65.700(a). ~~The access service categories shall be: an aggregated category consisting of Special Access, § 60.113, and Contribution Charges for Special Access Expanded Interconnection, § 60.122; Connection Charges for Expanded Interconnection, § 60.121; Common Line, §§ 60.104-60.105; and an aggregated category consisting of Line Termination, § 60.106, Intercept, § 60.108, Local Switching, § 60.107, Transport, §§ 60.111-60.112, § 60.124, § 60.125, and Information, § 60.109. Competitive Market Area Services shall be excluded for the purposes of this part. The Billing and Collection category~~access~~ element shall not be included in any access service category for purposes of this part. The Commission will also separately review exchange carrier overall interstate earnings subject to this part for determining compliance with the maximum allowable rate of return determined by § 65.700 (b).~~
- (c) For local exchange carriers, earnings shall be measured for purposes of determining compliance with the maximum allowable rates of return separately for each study area; provided, however that if the carrier has filed or concurred in access tariffs aggregating costs and rates for two or more study areas, the earnings will be determined for the aggregated study areas rather than for each study area separately. If an local exchange carrier has not utilized the same level of study area aggregation during the entire two-year earnings review period then the carrier's earnings will be measured for the entire two-year period on the basis of the tariffs in effect at the end of the second year of the two year review period; provided, however, that if tariffs representing a higher level of study area aggregation were not in effect for at least eight months in the second year, then the carrier's earnings will be measured on the basis of the study area level of aggregation in

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effect for the majority of the two year period; provided further, that any carrier that was not a member of the National Exchange Carrier Association or other voluntary pools for both years of the two-year review period will have its earnings reviewed individually for the full two-year period.

§ 65.703 Refunds.

- (a) For non-price cap carriers ~~not subject to §§ 61.41 through 61.49~~, refunds shall be effected automatically if a carrier's interstate earnings ~~for any category of services~~, as set forth in § 65.702, exceed the maximum allowable rate of return. In determining whether a carrier's earnings exceed the maximum allowable rate of return, the reports filed by a carrier shall be deemed conclusively binding on the carrier.
- (b) ~~Notwithstanding § 65.2(b),~~ Refunds shall be effected by subsequent period reductions in the carrier's revenue requirements ~~for the access elements that earned requirements for the access elements that earned~~ in excess of the maximum allowable rate of return; provided, however, that a carrier may, at its option, make payments directly to the customers responsible for the overearnings as a means of providing refunds. A carrier making refunds directly to customers shall distribute the refund to each customer in proportion to the revenues ~~for that category~~ paid by each customer during the review period.
- (c) The base amount of the refund shall be computed for Switching, Transport, Public Policy or ~~Other interexchange service categories or Special Access or Common Line service categories~~ by determining the dollar amount of revenues that resulted in earnings that exceeded the carriers' average net investment during the review period multiplied by the maximum allowable rate of return. In addition, the amount of the refund shall include interest computed by multiplying the maximum allowable rate of return expressed as an annual interest rate, times the base amount of the refund, for the period beginning on January 1 of the year after the end of the earnings review period in which the carrier overearned, and the ending at the midpoint of the period in which the tariff reflecting the reduced revenue requirement is scheduled to be in effect; provided, however, that if a carrier elects to make a refund directly to customers, the interest shall accrue only until payment is made to the customer.

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- (d) ~~The amount of the refund shall be computed for the exchange carriers overall earnings or for the Switched Traffic Sensitive category using the methodology specified in § 65.703(c), except that the base amount of the refund shall be determined by computing the proportionate dollar reductions for each subcategory earning in excess of the maximum allowable rate of return, that when refunded, are sufficient to bring the earnings of the category as a whole down to the maximum allowable rate of return.~~
- (de) For local exchange carriers tariffs reflecting the revenue requirement reductions effectuating the refund shall be filed by the carrier to become effective no later than January 1 of the year following the submission of the final report for the earnings review period.
- (ef) For interexchange carriers subject to this part, but not subject to price cap regulation~~§§ 61.41 through 61.49~~, tariffs reflecting the revenue requirement reductions effectuating the refund shall be filed on 45 days' notice no later than 60 days after submission of the final report for the earnings review period.
- (fg) For interexchange carriers subject to price cap regulation~~§§ 61.41 through 61.49~~ of this chapter, refund obligations incurred prior to the date their tariffs filed pursuant to price cap regulation~~§§ 61.41 through 61.49~~ take effect for the first time, shall be effectuated by an adjustment to the applicable Actual Price Index, Service Band Index, and Price Cap Index (as defined in § 61.3 of this chapter). Carriers making an adjustment to effectuate any outstanding refund requirements from the final enforcement period shall make such adjustments no later than during the next scheduled annual price cap adjustment tariff filing following the submission of the final enforcement report. The adjustment shall be designed to complete the required refund within 12 months, following which the Actual Price Index, the Service Band Index, or the Price Cap Index shall be adjusted to remove the effect of the adjustment.

MODIFICATION SYNOPSIS

PART 69 - ACCESS CHARGES

Subpart A - General

69.1	Application of access charges	Moved to Y.1
69.2	Definitions	Moved to Y.2
69.3	Filing of access service tariffs	Moved to 61.44
69.4	Charges to be filed	Deleted
69.5	Persons to be assessed	Deleted

Subpart B - Computation of Charges

69.101	General	Deleted
69.103	Limited pay telephone	Deleted
69.104	End user common line	Moved to Z.105
69.105	Carrier common line	Moved to Z.106
69.106	Local switching	Deleted
69.107	Equal access	Deleted
69.108	Transport rate benchmark	Deleted
69.109	Information	Deleted
69.110	Entrance facilities	Deleted
69.111	Tandem-switched transport	Deleted
69.112	Direct-trunked transport	Deleted
69.113	Non-premium charges for MTS-WATS equivalent services	Deleted
69.114	Special access	Deleted
69.115	Special access surcharges	Moved to Z.107
69.116	Universal service fund	Moved to Z.102
69.117	Lifeline assistance	Moved to Z.103
69.118	Traffic Sensitive Switched Services	Deleted
69.119	Basic Service element expedited approval process	Deleted
69.120	Line information database	Deleted
69.121	Connection charges for expanded interconnection	Moved to Z.110
69.122	Contribution charges for special access	Moved to Z.111
69.123	Density pricing zones for special access	Deleted
69.124	Interconnection charge	Moved to Z.108
69.125	Dedicated signalling transport	Deleted
69.126	Nonrecurring charges	Deleted
69.127	Effective rate structure dates	Deleted
69.128	Billing Name and Address	Deleted

Subpart C - Computation of Transition Charges

69.201	General	Deleted
69.203	Transitional end user common line charges	Deleted
69.204	Optional alternative carrier common line tariff provisions	Moved to Z.201
69.205	Transitional premium charges	Deleted

Subpart D - Apportionment of Net Investment

69.301	General	Moved to Y.402, Y.502
69.302	Net investment	Moved to Y.403, Y.503
69.303	Information origination/termination equipment (IOT)	Moved to Y.404, Y.504
69.304	Subscriber line cable and wire facilities	Moved to Y.405, Y.505
69.305	Cable and Wire facilities (C&WF)	Moved to Y.406
69.306	Central office equipment (COE)	Moved to Y.407, Y.506
69.307	General support facilities	Moved to Y.408, Y.507
69.308	Equal access equipment	Moved to Y.409
69.309	Other investment	Moved to Y.410, Y.508
69.310	Capital leases	Moved to Y.411, Y.509

Subpart E - Apportionment of Expenses

69.401	Direct expenses	Moved to Y.412, Y.510
69.402	Operating taxes (Account 7200)	Moved to Y.413, Y.511
69.403	Marketing expense (Account 6610)	Moved to Y.414, Y.512
69.404	Telephone operator services expenses in Account 6620	Moved to Y.415
69.405	Published directory expenses in Account 6620	Moved to Y.416
69.406	Local business office expenses in Account 6620	Moved to Y.417, Y.513
69.407	Revenue accounting expenses in Account 6620	Moved to Y.418, Y.513
69.408	All other customer services expenses in Account 6620	Moved to Y.419, Y.515
69.409	Corporate operations expenses (Accounts 6710 and 6720)	Moved to Y.420, Y.516
69.410	Equal access expenses	Moved to Y.421
69.411	Other expense	Moved to Y.422, Y.517
69.412	Non participating company payments/receipts	Moved to Y.423
69.413	Universal service fund expenses	Moved to Z.102(a)
69.414	Lifeline assistance expenses	Moved to Z.103(a)

Subpart F - Segregation of Common Line Element Revenue Requirement

69.501	General	Moved to Z.301
69.502	Base factor allocation	Moved to Z.301

Subpart G - Exchange Carrier Association

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69.602	Board of directors	Moved to Z.402
69.603	Association functions	Moved to Z.403
69.604	Billing and collection of access charges	Moved to Z.404
69.605	Reporting and distribution of pool access revenues	Moved to Z.405
69.606	Computation of average schedule company payments	Moved to Z.406
69.607	Disbursement of carrier common line residue	Moved to Z.407
69.608	Carrier common line hypothetical net balances	Moved to Z.408
69.609	End user common line hypothetical net balance	Moved to Z.409
69.610	Other hypothetical net balances	Moved to Z.410
69.611	Effect of optional alternative carrier common line tariff provisions and end user common line surcharges	Moved to Z.411
69.612	Long term and transitional support	Moved to Z.109

CODE OF FEDERAL REGULATIONS

TITLE 47 - TELECOMMUNICATIONS

CHAPTER 1

FEDERAL COMMUNICATIONS COMMISSION

PART 69 - ACCESS CHARGES

**REPORTS OF COMMUNICATION COMMON CARRIERS
AND CERTAIN AFFILIATES**

USTA PROPOSED REVISIONS

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~~Existing Part 69 Rules~~

Subpart A - General

§ 69.1 Application of access charges¹

§ 69.2 Definitions²

§ 69.3 Filing of access service tariffs³

~~§ 69.4 Charges to be filed~~

~~(a) The end user charges for access service filed with this Commission shall include charges for the End User Common Line Element.~~

~~(b) Except as provided in Subpart C of this part, in § 69.4(c), (d), (e), and (f) and in § 69.118, the carrier's carrier charges for access service filed with this Commission shall include charges for each of the following elements:~~

~~(1) Limited pay telephone;~~

~~(2) Carrier common line;~~

~~(3) Local switching;~~

~~(4) Information;~~

~~(5) Tandem-switched transport;~~

~~(6) Direct-trunked transport;~~

~~(7) Special access; and~~

~~(8) Entrance facilities.~~

~~(c) For all tariffs filed with this Commission, that become effective after March 31, 1990, the carrier's carrier charges for access service shall include charges for~~

¹ Moved to Y.1

² Moved to Y.2

³ Moved to 61.44

~~Existing Part 69 Rules~~

~~each of the elements listed in § 69.4(b) and for each of the following elements:~~

- ~~(1) Universal Service Fund~~
- ~~(2) Lifeline Assistance~~
- ~~(d) For the period June 1, 1993 through December 31, 1993, all telephone companies may implement a separate carrier's carrier tariff charge for an Equal Access element. Effective January 1, 1994, all telephone companies shall eliminate separate carrier's carrier tariff charges for an Equal Access element.~~
- ~~(e) The carrier's carrier charges for access service filed with this Commission by the telephone companies specified in § 64.1401(e) of this chapter may include an element for connection charges for expanded interconnection.~~
- ~~(f) All telephone companies may implement a separate carrier's carrier tariff charge for the contribution charge element described in § 69.122 of this part, if authorized by the Commission by order.~~

~~§ 69.5 Persons to be assessed~~

- ~~(a) End user charges shall be computed and assessed upon end users, as defined in this subpart, and as provided in Subpart B of this part.~~
- ~~(b) Carrier's carrier charges shall be computed and assessed upon all interexchange carriers that use local exchange switching facilities for the provision of interstate or foreign telecommunications services.~~
- ~~(c) Special access surcharges shall be assessed upon users of exchange facilities that interconnect these facilities with means of interstate or foreign telecommunications to the extent that carrier's carrier charges are not assessed upon such interconnected usage. As an interim measure pending the development of techniques accurately to measure such interconnected use and to assess such charges on a reasonable and nondiscriminatory basis, telephone companies shall assess special access surcharges upon the closed ends of private line services and WATS services pursuant to the provisions of § 69.115 of this part.~~
- ~~(d) Universal Service Fund and Lifeline Assistance charges shall be assessed upon all interexchange carriers that use local exchange switching facilities for the provision of interstate or foreign telecommunications services and that have~~

~~Existing Part 69 Rules~~

~~at least .05 percent of the total common lines presubscribed to interexchange carriers in all study areas.~~

Subpart B - Computation of Charges

~~§ 69.101 General.~~

~~Except as provided in § 69.1 and Subpart C of this Part, charges for each access element shall be computed and assessed as provided in this Subpart.~~

~~§ 69.102 [Deleted]~~

~~§ 69.103 Limited pay telephone (public telephones that can access the services of only one interexchange carrier).~~

- ~~(a) A charge that is expressed in dollars and cents per line per month shall be assessed upon an interexchange carrier for each line terminating in a public telephone which can be used to originate any of its interstate or foreign telecommunications services, but not such services of other interexchange carriers.~~
- ~~(b) The per line charge shall be computed by dividing one twelfth of the projected annual revenue requirement for the Limited Pay Telephone element by the projected average number of public telephones which can access the services of only one interexchange carrier.~~

§ 69.104 End user common line⁴

§ 69.105 Carrier common line⁵

~~§ 69.106 Local switching.~~

- ~~(a) Except as provided in § 69.118, charges that are expressed in dollars and cents per access minute of use shall be assessed upon all interexchange carriers that use local exchange switching facilities for the provision of interstate or foreign services.~~

⁴ Moved to Z.105

⁵ Moved to Z.106

~~Existing Part 69 Rules~~

- ~~(b) A per minute charge shall be computed by dividing the projected annual revenue requirement for the Local Switching element by the projected annual access minutes of use for all interstate or foreign services that use local exchange switching facilities.~~
- ~~(c) If end users of an interstate or foreign service that uses local switching facilities pay message unit charges for such calls in a particular exchange, a credit shall be deducted from the Local Switching element charges to such carrier for access service in such exchange. The per minute credit for each such exchange shall be multiplied by the monthly access minutes for such service to compute the monthly credit to such a carrier.~~
- ~~(d) If all local exchange subscribers in such exchange pay message unit charges, the per minute credit described in paragraph (c) of this Section shall be computed by dividing total message unit charges to all subscribers in a particular exchange in a representative month by the total minutes of use that were measured for purposes of computing message unit charges in such month.~~
- ~~(e) If some local exchange subscribers pay message unit charges and some do not, a per minute credit described in paragraph (c) of this Section shall be computed by multiplying a credit computed pursuant to paragraph (d) of this Section by a factor that is equal to total minutes measured in such month for purposes of computing message unit charges divided by the total local exchange minutes in such month.~~

~~§ 69.107 Equal access.~~

- ~~(a) A monthly charge that is expressed in dollars and cents either per Feature Group D trunk, per presubscribed equal access line, or per trunk line that is receiving from a local exchange switch service that is substantially equivalent to the access provided for MTS or WATS, shall be assessed by telephone companies that implement an Equal Access element as provided in paragraph 69.4(d) upon all interexchange carriers for either the interstate and foreign Feature Group D access service trunks the interexchange carriers use, the interstate and foreign access service trunk lines receiving service substantially equivalent to the access provided for MTS or WATS from a local exchange switch, or the presubscribed equal access lines the carrier serves.~~
- ~~(b) A monthly charge per Feature Group D trunk or per trunk line that is receiving from a local exchange switch service that is substantially equivalent to the access provided for MTS or WATS shall be computed by dividing the projected~~

~~Existing Part 69 Rules~~

~~annual revenue requirement for the Equal Access element by twelve times the projected annual average number of the total of interstate and foreign Feature Group D access service trunks and interstate and foreign access service trunk lines receiving service substantially equivalent to the access provided for MTS or WATS from a local exchange switch.~~

- ~~(c) A monthly charge per presubscribed equal access line shall be computed by dividing the projected annual revenue requirement for the Equal Access element by twelve times the projected annual average number of presubscribed equal access lines.~~

~~§ 69.108 Transport rate benchmark.~~

- ~~(a) For transport charges computed in accordance with this subpart, the DS3 to DS1 benchmark ratio shall be calculated as follows: the local telephone company shall calculate the ratio of (1) the total charge for a one mile channel termination, ten miles of interoffice transmission, and one DS3 multiplexer using the telephone company's DS3 special access rates to (2) the total charge for a one mile channel termination plus ten miles of interoffice transmission using the telephone company's DS1 special access rates.~~
- ~~(b) Initial transport rates will generally be presumed reasonable if they are based on special access rates with a DS3 to DS1 benchmark ratio of 0.6 to 1 or higher.~~
- ~~(c) If a telephone company's initial transport rates are based on special access rates with a DS3 to DS1 benchmark ratio of less than 0.6 to 1, those initial transport rates will generally be suspended and investigated absent a substantial cause showing by the local telephone company. Alternatively, the local telephone company may adjust its initial transport rates so that the DS3 to DS1 ratio calculated as described in (a) of those rates is 0.6 or higher. In that case, initial transport rates that depart from existing special access rates effective on September 1, 1992 so as to be consistent with the benchmark will be presumed reasonable only so long as the ratio of projected revenue recovered through the interconnection charge to the projected revenue recovered through facilities-based charges is the same as it would be if the telephone company's existing special access rates effective on September 1, 1992 were used.~~

~~§ 69.109 Information.~~

- ~~(a) A charge shall be assessed upon all interexchange carriers that are connected~~

~~Existing Part 69 Rules~~

~~to assistance boards through interexchange directory assistance trunks.~~

- ~~(b) Except as provided in § 69.118, if such connections are maintained exclusively by carriers that offer MTS, the projected annual revenue requirement for the information element shall be divided by 12 to compute the monthly assessment to such carriers.~~
- ~~(c) If such connections are provided to additional carriers, charges shall be established that reflect the relative use of such directory assistance service by such interexchange carriers.~~

~~§ 69.110 Entrance facilities.~~

- ~~(a) A flat rated entrance facilities charge expressed in dollars and cents per unit of capacity shall be assessed upon all interexchange carriers and other persons that use telephone company facilities between the interexchange carrier or other person's point of demarcation and the serving wire center through October 31, 1995.~~
- ~~(b) (1) For telephone companies subject to price cap regulation, initial entrance facilities charges based on special access channel termination rates for equivalent voice grade, DS1, and DS3 services as of September 1, 1992, adjusted for changes in the price cap index calculated for the July 1, 1993 annual filing for telephone companies subject to price cap regulation, generally shall be presumed reasonable if the benchmark defined in section 69.108 is satisfied. Entrance facilities charges may be distance-sensitive. Mileage shall be measured as airline mileage between the point of demarcation and the serving wire center.~~
- ~~(b) (2) For telephone companies not subject to price cap regulation, entrance facilities charges based on special access channel termination rates for equivalent voice grade, DS1, and DS3 services generally shall be presumed reasonable if the benchmark defined in section 69.108 is satisfied. Entrance facilities charges may be distance-sensitive. Mileage shall be measured as airline mileage between the point of demarcation and the serving wire center.~~
- ~~(c) If the telephone company employs distance sensitive rates:~~
 - ~~(1) a distance sensitive component shall be assessed to recover the costs of the transmission facilities, including any intermediate transmission circuit equipment between the end points of the entrance facilities; and~~

~~Existing Part 69 Rules~~

- ~~(2) a nondistance-sensitive component shall be assessed to recover the costs of the circuit equipment at the ends of the transmission links.~~
- ~~(d) Telephone companies shall apply only their shortest term special access rates in setting entrance facilities charges.~~
- ~~(e) Except as provided in paragraphs (f), (g), and (h) of this section, telephone companies shall not offer entrance facilities based on term discounts or volume discounts for multiple DS3s or any other service with higher volume than DS3 through October 31, 1995.~~
- ~~(f) Except in the situations set forth in paragraphs (g) and (h) of this section, telephone companies may offer term and volume discounts in entrance facilities charges within each study area used for the purpose of jurisdictional separations, in which interconnectors have taken either:
 - ~~(1) at least 100 DS1 equivalent cross connects for the transmission of switched traffic (as described in section 69.121(a)(1)) in offices in the study area that the telephone company has assigned to the lowest priced density pricing zone (zone 1) under an approved density pricing zone plan as described in sections 61.36(b)(4) and 61.49(k) of this chapter, or~~
 - ~~(2) an average of at least 25 DS1 equivalent cross connects for the transmission of switched traffic per office assigned to the lowest priced density pricing zone (zone 1).~~~~
- ~~(g) In study areas in which the telephone company has implemented density zone pricing, but no offices have been assigned to the lowest price density pricing zone (zone 1), telephone companies may offer term and volume discounts in entrance facilities charges within the study area when interconnectors have taken at least 5 DS1 equivalent cross connects for the transmission of switched traffic (as described in section 61.121(a)(1)) in offices in that study area.~~
- ~~(h) In study areas in which the telephone company has not implemented density zone pricing, telephone companies may offer term and volume discounts in entrance facilities charges when interconnectors have taken at least 100 DS1 equivalent cross connects for the transmission of switched traffic (as described in section 69.121(a)(1)) in offices in the study area.~~

~~§ 69.111 Tandem switched transport and tandem charge.~~